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JEANERETTE CITY MARSHAL  
JEANERETTE, LOUISIANA

Financial Report

Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/21/10

JEANERETTE CITY MARSHAL

Financial Report  
As of and for the Year Ended June 30, 2009

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SOCIETY OF LA CPA'S

**ACCOUNTANT'S COMPILATION REPORT**

Mr. Fernest Martin, City Marshal  
JEANERETTE, LOUISIANA

I have compiled the accompanying financial statements of the governmental activities of the NEW JEANERETTE CITY MARSHAL, a component unit of the City of Jeanerette, Louisiana as of June 30, 2009, and for the year then ended as listed in the foregoing table of contents, in accordance with statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The New Iberia City Marshal has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

*R. Perry Templeton*

New Iberia, LA  
December 29, 2009

**Government-Wide Financial Statements**

JEANERETTE CITY MARSHAL  
JEANERETTE, LOUISIANA

STATEMENT OF NET ASSETS  
June 30, 2009

**ASSETS**

Cash	\$ 20,661
Accounts Receivable	15,506
Capital Assets, net of Accumulated Depreciation	<u>30,437</u>
Total Assets	<u>\$ 66,604</u>

**LIABILITIES**

Accounts Payable	<u>\$ -</u>
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**NET ASSETS**

Invested in Capital Assets	30,437
Unrestricted	<u>36,167</u>
Total Net Assets	<u>\$ 66,604</u>

See accountant's compilation report.  
See notes to financial statements.

JEANERETTE CITY MARSHAL  
JEANERETTE, LOUISIANA

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2009

Governmental Activities:

Expenditures

Auto expense	\$ 17,024
Outside Services	52,605
Marshal's Salary	29,942
Other Salaries	47,753
Marshal & Employees Retirement and Benefits	19,411
Office Supplies	14,782
Dues, Meetings and Insurance	4,676
Depreciation	14,597
Other Miscellaneous Expenditures	5,682
Legal and Accounting	1,650
Telephone and Utilities	<u>6,672</u>
Total Expenditures	<u>214,794</u>

Program Revenues:

Service Fees	<u>69,353</u>
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Excess (Deficiency) of Revenues Over Expenditures (145,441)

General Revenues:

Intergovernmental	
On Behalf Payments	<u>97,106</u>

Loss on Disposal of Capital Assets (4,895)

Change in Net Assets (Decrease) (53,230)

Net Assets – Beginning of Year 119,834

Net Assets – End of Year \$ 66,604

See accountant's compilation report.  
See notes to financial statements.

## **Fund Financial Statements**

JEANERETTE CITY MARSHAL  
JEANERETTE, LOUISIANA

BALANCE SHEET – GOVERNMENTAL FUNDS  
June 30, 2009

**ASSETS**

Cash (Note 4)	\$ 20,661
Due from City Court of Jeanerette	<u>15,506</u>
Total Assets	<u>\$ 36,167</u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts Payable	\$ <u>          </u> -
------------------	------------------------

**FUND BALANCE**

Unreserved-Undesignated	<u>\$ 36,167</u>
Total Liabilities and Fund Balance	<u>\$ 36,167</u>

See accountant's compilation report.  
See notes to financial statements.



JEANERETTE CITY MARSHAL  
JEANERETTE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUND  
For the Year Ended June 30, 2009

REVENUE	
Service Fees	\$ 69,353
Proceeds from Sale of Asset	12,000
Intergovernmental	
On Behalf Payments	<u>97,106</u>
Total Revenue	<u>178,459</u>
EXPENDITURES	
Capital Outlay	11,658
Current	
Automobile Expense	17,024
Outside Services	52,605
Marshal's Salary	29,942
Other Salaries	47,753
Marshal & Employees Retirement and Benefits	19,411
Office Supplies & Printing	14,782
Legal & Accounting Costs	1,650
Dues, Meetings, & Insurance	4,676
Telephone and Utilities	6,672
Other Miscellaneous Expenditures	<u>5,682</u>
Total Expenditures	<u>211,855</u>
EXCESS OF EXPENDITURES OVER REVENUE	(33,396)
FUND BALANCE, BEGINNING OF YEAR	<u>\$ 69,563</u>
FUND BALANCE, END OF YEAR	<u>\$ 36,167</u>

See accountant's compilation report.  
See notes to financial statements.

## **Notes to the Financial Statements**

JEANERETTE CITY MARSHAL  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. BASIS OF PRESENTATION - The accompanying financial statements for the Jeanerette City Marshal have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, Issued in June 1999.
- B. FINANCIAL REPORTING ENTITY – The Jeanerette City Marshal consists of One Marshal who is elected by the voters of the City of Jeanerette and serves a six year term. The duty of the office of the Marshal is to provide legal service and security for the Jeanerette City Court as needed. The Marshal has no employees but has five individuals who are outside contractors and work on an as needed basis. As an independently elected official, the Marshal is solely responsible for the operations of his office, which include the hiring or retention of employees, responsibility for deficits, and the receipt and disbursement of funds.

Statement No. 14 of the GASB established the following criteria for determining if a governmental entity is a primary government or a component unit of a primary government:

- a. It has a separately elected governing body.
- b. It is legally separate.
- c. It is fiscally independent of other governments.

Because certain operating expenditures of the Marshal are paid or provided by the City of Jeanerette, the Jeanerette City Marshal is considered a component unit of the City of Jeanerette in accordance with the provisions of GASB Statement No. 14.

The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the City of Jeanerette, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

JEANERETTE CITY MARSHAL  
NOTES TO FINANCIAL STATEMENTS  
(continued)

- C. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS – The Marshal's basic financial statements include both government-wide (reporting the Marshal as a whole) and fund financial statements (reporting the Marshal's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the Marshal's activities are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Marshal's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Marshal first utilizes restricted resources to finance qualifying activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include bond forfeitures, drug seizures, equitable sharing receipts and fees and commissions.

This government-wide focus is more on the sustainability of the Marshal as an entity and the change in the Marshal's net assets resulting from the current year's activities.

BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS – The financial transactions of the Marshal are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Marshal:

GOVERNMENTAL FUNDS – The focus of the governmental funds measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Marshal:

**General Fund** – This type of fund is the general operating fund of the Marshal. The General Fund is financed through court costs and commissions as well as bond forfeitures earned by the Marshal. Resources of the fund are used to supplement the cost of operating the Marshal's office.

JEANERETTE CITY MARSHAL  
NOTES TO FINANCIAL STATEMENTS  
(continued)

- D. BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual:

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

- E. CAPITAL ASSETS - Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$250 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	5-7
Automobiles	3-5

- F. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets*. One element of that reconciliation explains that "capital assets used in governmental activities are

JEANERETTE CITY MARSHAL  
NOTES TO FINANCIAL STATEMENTS  
(continued)

not financial resources and, therefore, are not reported in the funds." The details of the \$30,437 difference are as follows:

Capital Assets Net of Accumulated Depreciation	\$30,437
Net Adjustment to Increase <i>Fund Balance-Total Governmental Funds</i> to Arrive at <i>Net Assets-Governmental Activities</i>	<u>\$30,437</u>

- G. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$(19,834) difference are as follows:

Loss from Sale of Assets Plus Proceeds of \$12,000	\$ (16,395)
Depreciation Expense	(14,597)
Capital Outlay	<u>11,658</u>
Net Adjustment to Increase <i>Net Changes in Fund Balances-Total Governmental Funds</i> to Arrive at <i>Changes in Net Assets of Governmental Activities</i>	<u>\$ (19,834)</u>

- H. CASH & CASH EQUIVALENTS - Cash includes amounts in demand deposits. Under state law, the Jeanerette City Marshal may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.
- I. COMPENSATED ABSENCES - The Jeanerette City Marshal has no policy relating to vacation and sick leave.

NOTE 2: CAPITAL ASSETS

A summary of general fixed assets follows:

**JEANERETTE CITY MARSHAL**  
**NOTES TO FINANCIAL STATEMENTS**  
(continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Being Depreciated				
Equipment	\$40,269	\$1,758	\$22,965	\$19,062
Automobiles	<u>62,910</u>	<u>9,900</u>	<u>31,475</u>	<u>41,335</u>
Total Capital Assets Being Depreciated	<u>103,179</u>	<u>11,658</u>	<u>54,440</u>	<u>60,397</u>
Less Accumulated Depreciation for:				
Equipment	28,205	2,607	21,697	9,115
Automobiles	<u>24,703</u>	<u>11,990</u>	<u>15,848</u>	<u>20,845</u>
Total Accumulated Depreciation	<u>52,908</u>	<u>14,597</u>	<u>37,545</u>	<u>29,960</u>
Total Capital Assets Being Depreciated, Net	<u>\$50,271</u>	<u>(\$ 2,939)</u>	<u>\$16,895</u>	<u>\$30,437</u>

**NOTE 3: PENDING LITIGATION**

The City Marshal was not involved in any material lawsuits at June 30, 2009.

**NOTE 4: CASH AND CASH EQUIVALENTS**

At June 30, 2009 the carrying amount of the City Marshal's deposits is \$20,661 and the bank balance is \$29,269. These deposits are secured from risk by federal deposit insurance.

**NOTE 5: ON BEHALF PAYMENTS FOR SALARIES AND BENEFITS**

The City Marshal follows GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance". This standard requires the City Marshal to report in the financial statements on-behalf salary and fringe benefit payments made by the City of Jeanerette to the Marshal and the Marshal's employees.

Supplementary salary payments are made from the City to the Marshal and the Marshal's employees. The City Marshal is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and the City Marshal. For the fiscal year ended June 30, 2009 the City paid \$36,774 in supplemental salary and benefit payments to the City Marshal and \$60,332 to the City Marshal's employees.

JEANERETTE CITY MARSHAL  
NOTES TO FINANCIAL STATEMENTS  
(continued)

NOTE 6: PENSION PLAN

The Jeanerette City Marshal is a participant in the Municipal Employees' Retirement System (MERS) of Louisiana, a multiple-employer public employee retirement system.

All permanent Marshal employees who work at least 35 hours a week, not participating in another public funded retirement system and are under 60 years of age are members of the plan. Members of the plan may retire with thirty years of creditable service regardless of age, with twenty-five years of service at age 55, and with 10 years of service at age 60. The retirement allowance is equal to 3% of the member's final compensation multiplied by his years of creditable service, with certain provisions made for those employees who were members of the supplemental plan only prior to its revision date. Their retirement allowance may not exceed the greater of 100% of a member's final salary or compensation. The system also provides disability and survivor benefits. Benefits are established by the State statute.

State statute requires covered employees to contribute 9.25% of their earnings to the plan. The City of Jeanerette contributes 13.5% to the plan as employer only for the portion of compensation the City Marshal and deputies receive from the City.

Although contributions are determined by State statute rather than actuarial calculations, actuarially required contributions are determined for the System, but not separately for the Jeanerette City Marshal.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2009 comprehensive annual financial report. The System issued an annual, publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809-7606, or by calling (504) 925-4810. The City of Jeanerette does not guarantee the benefits granted by the System.



JEANERETTE CITY MARSHAL  
NOTES TO FINANCIAL STATEMENTS  
(continued)

NOTE 7: OTHER POST RETIREMENT BENEFITS

The Jeanerette City Marshal provides no post retirement benefits.

NOTE 8: ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America that requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **Required Supplementary Information**

JEANERETTE CITY MARSHAL  
JEANERETTE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2009

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
REVENUE				
Service Fees	\$133,150	\$ 66,575	\$ 69,353	\$ 2,778
Proceeds from Sale of Asset	-	-	12,000	12,000
Intergovernmental				
On Behalf Payments	<u>125,000</u>	<u>100,000</u>	<u>97,106</u>	<u>(2,894)</u>
Total Revenues	<u>258,150</u>	<u>166,575</u>	<u>178,459</u>	<u>11,884</u>
EXPENDITURES				
Capital Outlay	20,000	10,000	11,658	(1,658)
Current				
Automobile Expense	29,050	14,525	17,024	(2,499)
Outside Services	50,000	50,000	52,605	(2,605)
Marshal's Salary	25,000	25,000	29,942	(4,942)
Other Salaries	75,000	50,000	47,753	2,247
Marshal & Employees				
Retirement and Benefits	25,000	25,000	19,411	7,836
Office Supplies & Printing	9,500	9,500	14,782	(5,282)
Legal & Accounting Costs	1,200	1,200	1,650	(450)
Dues, Meetings, & Insurance	10,500	5,250	4,676	(574)
Telephone and Utilities	6,500	6,500	6,672	(172)
Other Miscellaneous				
Expenditures	<u>8,500</u>	<u>4,250</u>	<u>5,682</u>	<u>(1,432)</u>
Total Expenditures	<u>260,250</u>	<u>192,675</u>	<u>211,855</u>	<u>(19,600)</u>
EXCESS OF EXPENDITURES OVER REVENUE	11,900	(26,100)	(33,396)	(7,296)
FUND BALANCE, BEGINNING OF YEAR	<u>69,563</u>	<u>69,563</u>	<u>69,563</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 81,463</u>	<u>\$ 43,463</u>	<u>\$ 36,167</u>	<u>\$ (7,296)</u>

See accountant's compilation report.  
See notes to financial statements.

JEANERETTE CITY MARSHAL  
JEANERETTE, LOUISIANA

**Corrective Action Plan for  
Current Year Findings  
For the Year Ended June 30, 2009**

<u>Ref. No.</u>	<u>Description Of Finding</u>	<u>Corrective Action Planned</u>	<u>Names of Contact Persons</u>	<u>Anticipated Completion Date</u>
Section I – Internal Control and Compliance Material to the Financial Statements				
2009-1	An inadequate segregation of duties exists with respect to accounting functions that result in inadequate control over cash receipts and disbursements. Due to the limited number of personnel, an adequate segregation of duties may not be achievable and the cost of correcting the weakness would exceed the benefits derived.	The Marshal has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.	Marshal Ferneest Martin	Present

Section II – Management Letter

None

**JEANERETTE CITY MARSHAL  
JEANERETTE, LOUISIANA**

**Summary Schedule of Prior Findings  
For the Year Ended June 30, 2009**

<u>Ref. No</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description Of Finding</u>	<u>Corrective Action Taken (Yes, No, Partial)</u>	<u>Planned Corrective Actual/Partial Corrective Action Taken</u>
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**Section I – Internal Control and Compliance Material to the Financial Statements**

2008-1	2005	An inadequate segregation of duties exists with respect to accounting functions that result in inadequate control over cash receipts and disbursements. Due to the limited number of personnel, an adequate segregation of duties may not be achievable and the cost of correcting the weakness would exceed the benefits derived.	No. The Marshal had determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.	None
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**Section II – Management Letter**

None